

Kim Freed -
inter-office mail

Brandt comments 1/11/00

Meeting Notes

Records SUBTEAM Meeting

December 14, 1999

To: Distribution
From: Kim Freed
Subject: SUBTEAM Meeting Notes

Privileged/Confidential
Attorney Work Product

Wallmeyer 26

EXHIBIT

12/20/02 SCN

Attendees: (* absent)

| | | | |
|-----------------|----------------|-----------------|------------------|
| John Antonietta | Bill Brandt | Martin Browning | Lewis Cummings |
| Kim Freed | Dan Ganoe | Kathi Hunter | Terry James |
| Brenda Lewis | Rick McKissack | Doug Miller | Mike Moore |
| Oz Osborne | Trey Smith | Gary Travis | Mark Van Malssen |

Agenda:

- | | |
|--------------------------------------|--------------|
| 1. Introductions / Meeting Objective | Doug Miller |
| 2. Background | Doug Miller |
| 3. "Rules" discussion | Bill Brandt |
| 4. Formalize Rules | Brenda Lewis |
| 5. Next Steps | Doug Miller |

I. Introductions / Meeting Objective

- Objective: Come to an understanding of the records management rules around ^{retention} ~~archival~~ of electronic records.
 - The thought is to develop a ~~knowledge management~~ ^{electronic recordkeeping} system for electronic recordkeeping.
 - Our goals should be to create an electronic records management system that meets legal, regulatory, and business standards sooner rather than later. We would like to eliminate "print & retain" in most cases for economic and space reasons.
 - Need to consider all types of electronic records. ^{the need to}
- Take Aways Should Be:
 - Understanding of the business, legal, and regulatory requirements and the technical issues around electronic records.
 - Discussion of an "interim" process for managing electronic records ^{Quality System} ~~(not to be confused with the "interim" Quality System)~~.

II. Background

- Current Situation:

Electronic records that can be printed must be retained in printed form if they are under disposal suspension

 - Policies and retention schedules are difficult to work with, and in some cases the retention schedules are outdated.
 - We cannot achieve pure records retention throughout PM companies because we have too many different kinds of records with their own workflow processes to meld into one records retention process.
- The New System / Current Quality Records Procedures:
 - Individuals will not manage Primary Records in their offices (but may keep copies).
 - Primary Records Lists will guide the Retention of records.
 - Department/Function Primary Records will be managed by the Department/Function Records Coordinator and kept in Local Records Storage.
 - An electronic index will assist Records Coordinators with record retrieval.

KPMG: the contracting company working with NY.

Future Direction:

Maintaining Primary and disposal-suspended records in electronic form.

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electronic records management

quarter

KPMG

for an electronic records system

- Timeline: during the first 10 weeks of next year, they will start collecting information needs throughout the company. Design phase would begin somewhere around May/June of next year. Should be ready to roll-out by the end of next year.
- ~~KPMG is currently only considering records management for litigation issues.~~ The goal is to develop a simple, standard infrastructure to cover the entire company in a year and a half.
- We will look into expanding the KPMG product to meet business needs.
- We will also look at how to apply the KPMG product to our overseas branches, considering common law driven countries as well as statute driven countries. system requirements
- We will try to use one IS product to manage records throughout PM companies. Must consider the Symphony project, NY global, the HR project, and the San Antonio Service Center.

Steering Committees:

- Forming an Executive level Steering Committee as well as a Work level Steering Committee in NY.
- Representatives from the Richmond area may include a Richmond based IS project manager and Howard Willard, Judy Carboni, and Harold Burnley.
- Worldwide Records and Information got their cost center yesterday. This will cover everything except QS records. The function will be responsible for formulating and implementing records management requirements and policies at the corporate level.

IV. "Rules" Discussion

Audit Trails

Various legal or regulatory requirements for electronic record keeping may include:

- Must be able to recreate old data and the meaning of the data over time (why data changed, who changed it, when it was changed).
- Must save all data including the changes made to that data (i.e., audit trail).
- Data logging for manufacturing: need operator ID & Date/time.
- Change management: who, what, when, where, why, & how. The "how" is dictated by the process.

Definition of an electronic record Raw data / machine data

- Is every element in a continuous stream of machine data a record, i.e., is raw data considered to be a record?
- Raw data can be misinterpreted, but the reports generated from raw data cannot. This is an argument for not considering raw data to be a record.
- Regulatory rules: data viewed off of a screen is considered to be a record. Continuous streams of data are considered records.
- Litigation rules: data viewed off of a screen is not necessarily considered as a record. It only becomes a record if downloaded to a file, copied, or used to make a decision.
- If viewed data on-screen, but did not copy or download, then you have not created a new record. If you do download the data, then the machine must capture that you downloaded it and that you have created a record.
- If viewed data from a query on-screen, but did not download, print, or copy, then you do not have to keep the query as a record unless you use the information from the query to make a decision, then you have to record the business process.
- Input data: must maintain the data input sheet if you cannot pull its format back out of the database.

Different kinds of electronic records:

- Document based
- Data based
- Factory data
- Drawings
- Electronic DHF
- Purchasing electronic artwork, etc.
- SAP
- Web Pages
- Compact hand-held computers may contain records
- E-mail may have to produce it for litigation

Raw data and machine processing information may need to be captured. Screen views that are not downloaded or printed may not need to be captured, but their use in decisionmaking may need to be documented.

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- Voice mail - voice mail that leads to a decision must be captured

- Disposal Suspension requirements:

- Prior to April 1, 1998, everyone had to keep copies of Disposal Suspended records. Now, only the owner (or primary receiver) must retain the original record as long as the distribution of that document is recorded (either on the document itself or in e-mail, or noted that it was posted in the cafeteria for a certain amount of time) and no one else alters their copies.
- Need to consider topics under DS that are discussed in News Letters and "The Globe" and Web based data.

any format, including

- Drafts

- Considered to be records in litigation if the draft is used to make a decision or if major revisions are made to a draft or if the draft is sent to someone else for comments (must save the distribution and editorial comments).
- If the draft is not circulated, then it is not considered to be a record.

drafts subject to disposal suspension must be preserved unless they were

- Evidentiary Rules

- We must prove that the data is authentic and valid (may involve the use of electronic signatures).

never circulated or filed for future reference, and a later version has been preserved

- General

- System must be easy to understand & use as well as cost effective.
- Records must be indexed and retrievable when on-line and when archived.
- Code for classifying records must be easy.
- Need controls on preserving information on-line with back-ups and controls on preserving information when you take it off-line for storage.
- Will need an orientation level training module for every new employee.
- We can roll-out training for existing employees through the Quality System.
- ~~Sharing information can lead to duplication of record keeping.~~
- We cannot draw a line and say we will go electronic as of some future date. For this system to be effective, we must selectively backfill the system with old records as well.
- ~~Software companies are not likely to write software for Livelink, but they will for Documentum.~~
- ~~If a record is generated electronically, then it must be captured and kept electronically.~~
- Cannot use home computer for company purposes.
- Note: the Quality System is still new to the Symphony project.
- Must have the same level of integrity as with paper.
- If you keep ~~on-line~~ information ~~backed up~~, this is OK. If you take the information off-line, then in the interim, see Bill Brandt.

on line with back-ups,

Information

Knowledge Management System

- Capture records requirements when you save a document. You are given several choices from which you must choose: Is the record Primary or Transient, is it under Disposal Suspension, where does the record fit into the Primary Records List for your department/function.
- ~~This will satisfy litigation needs, but not necessarily business needs.~~
- ~~Can we apply this procedure to records that are not documents (e.g., SAP, Web pages)?~~

How can we classify

- Machine validation

- Metadata

defined and

- Must be captured, and we must define specifically what we mean by metadata.
- Is it the same for each record, or will it be different for different types of records?
- Process standardization: define what counts when creating a record. Capture the original record and capture who received it, date/time created, and other metadata, etc.
- Metadata is usually lost when you upgrade data stored on tapes to new technology.
- A good system will describe all metadata.

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- Do we currently have systems that can capture & preserve metadata? No, we will need to do a cost/benefit analysis on acquiring systems that can preserve metadata sometime in the future.
 - As we replace systems, we must consider the Quality System rules (authentication, audit trails,...) and Disposal Suspension rules.
- Ownership validation
 - Must map ownership of a record so we don't archive 100 copies of the same thing.
- Preservation and Storage :
 - We have to consider the cost and intrusion of locating old records for litigation (as well as for business and regulatory needs) in a timely fashion.
 - Information that is taken off-line and stored must be adequately preserved to maintain record integrity, have an index, and be retrievable.
 - Life-cycle of technology on which the record was originally created; you may have to maintain the original operating system to show the data in a meaningful way.
 - Data migration – must maintain record integrity, but *usually* lose metadata when you migrate records from one system to another. *may*
 - Archived data – must maintain record integrity.
 - Access to archived records does not have to be on-line.
 - Preservation from a regulatory and legal perspective - we don't want to keep records any longer than we have to – storage over time is not cost effective.
 - Define what we don't have to keep (how do you efficiently delete data once it has met retention schedule requirements from part of a magnetic tape?).
 - Life-cycle of .preservation media with respect to how long we keep data.
 - We can use PDF for archival purposes because that is the method used by most government agencies.
 - Even if we contract out our data storage, we still must be able to prove data validation & integrity.

- Process validation

- Records Coordinators *Transitional System*
 - Records Coordinators will store records sent to them electronically in an electronic format. The records transmittal form will be electronic and entered directly into the Records Index with the touch of a button – no re-keying. *Investigate use of live link.*
 - Records Index: instead of trying to tie together all the different existing systems, the Records Index just points to the record's location, whether it be electronic or paper.
 - Define how Records Coordinators will create folders to store/retrieve information – how many records in each folder, how many folders.

- Scanning

- We will scan records that are created or received in paper form.
- It is anticipated that the majority of paper records will come from outside the company *or* in the form of ~~Disposal Suspension~~ *disposal - suspended* notes.

- Security levels

- Confidential records.
- Restricted records.

- Server based platform

- We can't keep data on our hard drives.
- Must restrict access to records on a server so that the record does not become corrupted.

V. Formalize Rules

- Audit Trails

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- Definition of an electronic record
- Different kinds of electronic records
- ~~Disposal Suspension requirements~~
- ~~Drafts~~
- ~~Evidentiary Rules~~
- ~~General~~
- Knowledge Management System
- Machine validation
- Metadata
- Ownership validation
- Preservation and Storage
- Process validation
- Records Coordinators
- Scanning
- Security levels
- Server based platform

VI. Next Steps • *Investigate use of live link for interim system.*

- Need to define an integrated team consisting of people from NY and people from Richmond. How do we satisfy the needs of Records Management, the Quality System, and the Corporate initiative (*Bill Brandt*).
- Clearly define our business needs.
- Clearly define our record requirements.
- Finalize the Records Index for Records Coordinators. Determine if we can integrate other systems into this one (e.g., factory based systems, IS project systems, etc.).
- Databased systems need process validation and system parameters.
- Need to complete the Retention Schedule Piece.
- Coordinate the interim roll-out to Record Coordinators.
- Need 2 additional meetings:
 1. Technology piece for electronic storage of Primary Records (timing, costs, security issues, building on a larger effort versus a throw-away interim system)
 - *Mark Van Malssen will set up this meeting.*
 2. Symphony integration into Records management (archiving, retrieving, updating capabilities).
 - *Terry James will set up this meeting.*

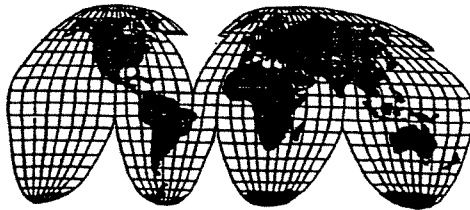
Distribution: Attendees

Kim - Pls see my notes.

In general, need to distinguish "interim" project and long-term approach -

bill

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PHILIP MORRIS MANAGEMENT CORP.

LEGAL

DISPOSAL SUSPENSION NOTICES

DOMESTIC MASTER LISTING

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Item 4: Records Disposal Suspension Notices

| <u>Tab</u> | <u>Date of Notice</u> | <u>Code Number</u> |
|------------|-----------------------|----------------------|
| 01. | November 24, 1998 | 1998 - 010 - 007 - L |
| 02. | November 4, 1998 | 1998 - 009 - 007 - L |
| 03. | November 4, 1998 | 1998 - 008 - 007 - L |
| 04. | November 4, 1998 | 1998 - 007 - 007 - L |
| 05. | October 21, 1998 | 1998 - 006 - 007 - L |
| 06. | July 28, 1998 | 1998 - 005 - 007 - L |
| 07. | March 25, 1998 | 1998 - 002 - 005 - L |
| 08. | February 3, 1998 | 1998 - 001 - 002 - F |
| 09. | October 10, 1997 | 1997 - 009 - 002 - F |
| 10. | August 26, 1997 | 1997 - 008 - 002 - F |
| 11. | August 11, 1997 | 1997 - 007 - 002 - L |
| 12. | August 11, 1997 | 1997 - 006 - 008 - L |
| 13. | August 11, 1997 | 1997 - 005 - 005 - F |
| 14. | May 13, 1997 | 1997 - 004 - 007 - L |

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| <u>Tab</u> | <u>Date of Notice</u> | <u>Code Number</u> |
|-------------------|------------------------------|---------------------------|
| 15. | October 22, 1996 | 1996 - 007 - 002 - F |
| 16. | June 14, 1996 | 1996 - 006 - 002 - L |
| 17. | June 14, 1996 | 1996 - 005 - 002 - F |
| 18. | April 2, 1996 | 1996 - 003 - 002 - F |
| 19. | March 4, 1996 | 1996 - 002 - 002 - RF |
| 20. | December 22, 1995 | No Code Assigned |
| 21. | November 9, 1995 | No Code Assigned |
| 22. | August 2, 1995 | No Code Assigned |
| 23. | June 28, 1995 | No Code Assigned |
| 24. | June 15, 1995 | No Code Assigned |
| 25. | September 15, 1994 | No code Assigned |
| 26. | September 1, 1994 | No Code Assigned |
| 27. | July 28, 1994 | No Code Assigned |
| 28. | June 30, 1994 | No Code Assigned |
| 29. | May 4, 1994 | No Code Assigned |
| 30. | April 21, 1994 | No Code Assigned |
| 31. | April 6, 1994 | No Code Assigned |
| 32. | February 15, 1994 | No Code Assigned |
| 33. | June 25, 1993 | No Code Assigned |
| 34. | March 6, 1992 | No Code Assigned |

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APPENDIX A - TOPICS SUBJECT TO DISPOSAL SUSPENSION

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APPENDIX A

TOPICS SUBJECT TO DISPOSAL SUSPENSION

The following guidelines will assist you in determining whether a record is subject to Disposal Suspension in connection with litigation related to smoking and health, environmental tobacco smoke ("ETS"), or cigarette related fires. The normal record retention schedules apply to records that do not come within these guidelines. If there is any question about whether the contents of a record might pertain to such litigation, the record should be retained, pending consideration of the Legal Department. Records should be retained if they relate to:

1. The alleged relationship between tobacco use, including ETS, and any disease.
2. The formation, purposes and activities relating to smoking and health of Philip Morris laboratories or research facilities.
3. Research, whether conducted or sponsored by Philip Morris or others, regarding
 - (a) smoke or ETS constituents
 - (b) smoke or ETS modification (filter efficiency, tobacco substitutes, filler changes, etc.)
 - (c) additives and ingredients
 - (d) pesticides
 - (e) delivery of tar, nicotine and other smoke components
 - (f) biological testing
 - (g) leaf analysis
 - (h) human smoking behavior
 - (i) benefits of smoking
 - (j) self-extinguishing or low ignition propensity cigarettes
 - (k) ETS, e.g., passive inhalation and indoor air quality.
4. Formulas for cigarette fillers, recipes for tobacco blends and filter composition.
5. Cigarette manufacturing processes and quality control procedures which relate to smoking and health, ETS or ignition propensity.

6. Product evaluation or modification dealing with the composition of cigarette smoke or ETS.
7. Pesticides used on or around tobacco, including those used in storage or manufacturing facilities.
8. Marketing plans and strategies relating to cigarettes including advertising and promotion.
9. Consumer expectations or beliefs concerning smoking and health or ETS and reasons for consumer purchases of cigarettes.
10. Warnings to consumers and others concerning the alleged health risks of smoking, exposure to ETS, or cigarette related fires.
11. Communications with federal, state or local legislatures, agencies or other governmental or regulatory bodies on the issue of smoking and health, exposure to ETS or ignition propensity by Philip Morris or others.
12. Participation by Philip Morris or other tobacco companies in trade associations and research organizations dealing with smoking and health, ETS or low ignition propensity cigarettes.
13. Company or industry compliance with smoking and health, ETS or low ignition propensity cigarette related requirements of legislative bodies or regulatory agencies.
14. A library or other collection of smoking and health, ETS or low ignition propensity cigarette information and indices, card catalogs and literature searches relating to smoking and health, ETS or low ignition propensity cigarettes.
15. Public statements such as speeches concerning smoking and health, ETS or cigarette-related fires made by or on behalf of Philip Morris.
16. Policies or practices concerning the dissemination or publication of smoking and health, ETS or "cigarette fire safety" information.
17. Conferences, meetings, or symposia concerning smoking and health, ETS or ignition propensity issues.

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REFORMULATION OF RECORDS MANAGEMENT PROCEDURES - DISPOSAL SUSPENSION

2074706310

PHILIP MORRIS MANAGEMENT CORP. INTER-OFFICE CORRESPONDENCE

120 PARK AVENUE, NEW YORK, NY 10017-5592

TO: Distribution

DATE: April 1, 1998

FROM: William A. Brandt, Jr.
Director, Worldwide Records Management
and Senior Counsel

SUBJECT: **Reformulation of Records Management Procedures Governing Retention of
Identical Copies of Disposal-Suspended Records**

As you know, the Company is required by law to retain certain records under disposal suspension in connection with ongoing tobacco litigation. The policy on disposal suspension is described in the current Records Management Manual. The affected records are identified by subject category in Appendix A to that Manual ("Topics Subject to Smoking and Health") and in a number of disposal suspension notices issued subsequently. Current policy requires that

Copies of records that are subject to Disposal Suspension that are maintained by persons other than [the originator of the record (or principal addressee, if the record originates outside the Company)] should be retained until Disposal Suspension is lifted . . . if the copy relates to issues involved in smoking and health litigation (see Appendix A).

That policy requires you to retain "working" or "convenience" copies of disposal-suspended records relating to smoking and health litigation issues even if the copies are identical to the original record.

To enhance operating efficiency while continuing to ensure compliance with all legal requirements for disposal suspension, we have reformulated the procedures as they apply to copies of disposal-suspended records that you **make or receive on or after the date of this memo**. Going forward, you may dispose of such copies, **but only if two conditions are met:**

1. the copies are identical to the original record and have not been written on, stapled to other documents or altered in any other way; and
2. the original reflects (for example, by "cc", reference to a department or unit of which you are a member, or attached distribution list appearing on or with your copy) that a copy was sent to you.

For materials that are circulated generally (for example, *The Globe*, *FYI* and compiled news reports) the publisher is responsible for retaining the materials and distribution information.

2074706311

Reformulation of Records Management Procedures
Governing Retention of Identical Copies of Disposal-Suspended Records
April 1, 1998
Page 2

This reformulation of disposal suspension procedures does **not** apply to copies already in your possession; nor does it apply to copies you receive from Philip Morris International, Philip Morris Capital Corporation, our food or beverage companies, or Philip Morris locations outside of the United States.

All other disposal suspension procedures prescribed in the Records Retention Manual and current notices of disposal suspension remain in effect without change, including the procedures for retention of disposal-suspended electronic records. Electronic records that are (1) the subjects of previously issued disposal suspension notices dated April 6, 1994, April 21, 1994, May 4, 1994 and July 28, 1994; or (2) incapable of being printed must continue to be maintained in electronic form. All other electronic records subject to disposal suspension must continue to be printed and retained only in printed form (do not use "zip" drives, diskettes or other similar media for this purpose).

If you have any questions regarding this memo, please contact me (N.Y. ext. 3572) or Bill Lynch (N.Y. ext. 4019).

Distribution

Philip Morris Companies Inc.
Philip Morris Management Corp.
Philip Morris Incorporated (USA)

cc: M. Barrington
R. Bertelsen
L. Cummings
M. DeBardeleben
C. Gregory
C. Harris
B. Honaker
W. Lynch
J. Mulderig
J. Peck
L. Pollak
C. Purcell
D. Reynolds
C. Wall
L. Williams
J. Worsham

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2074706313

PHILIP MORRIS MANAGEMENT CORP.

INTER-OFFICE MEMO

120 PARK AVENUE, NEW YORK, N.Y. 10017-5592

TO: Records Coordinators and Employees
Philip Morris Companies Inc.
Philip Morris Incorporated
Philip Morris Management Corp.

DATE: May 7, 1996

FROM: William F. Lynch III

RE: Records Retention

As you know, Philip Morris is, and has been, involved in the collection of records which might be needed for audits, investigations, or court cases. As part of these collections, records may have already been, or may be, collected from you or others with whom you work. As Records Coordinators and employees, it is your responsibility to see that all records are managed pursuant to the Records Management Policy.

In accordance with the applicable records management guidelines, records stamped "P", "C", "C1", "C2", "C3", or "L", or with a multi-digit Bates number or marked by a round, red label are subject to disposal suspension and must be retained, without alteration or mutilation, indefinitely or until a disposal suspension release is issued. (PLEASE NOTE: The "P", "C", "C1", "C2", or "C3" stamps indicate that the records have been collected for litigation purposes and that they are on indefinite suspension; as used in this context, they DO NOT indicate the retention periods.)

If you no longer have an active need for these records you may transfer them off-site to a Company approved storage facility. Please contact your Records Management Group to advise them of the impending transmittal of records subject to disposal suspension. The transmittal index accompanying the records must clearly identify which of the transmitted records are on disposal suspension. If you need to retain any of these records in your active files, you *may interfile them with other records, add them to existing files, or refile them among your office files, as based upon your business needs.* If you prefer to segregate these records, you *may open new files on the same subjects.* You must, however, ensure the integrity of the files, as well as ensure that the files can be readily tracked and accessed.

Please note, however, that all records covered under: (1) the Appendix entitled "*Topics Subject to Disposal Suspension*" of the applicable Records Management Manual and/or (2) Notices of Disposal Suspension, must be retained, regardless of whether they have been stamped "P", "C", "C1", "C2", "C3", or "L", or with a multi-digit Bates number or marked by a round, red label.

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Memorandum
May 7, 1996
Page Two

Please retain a copy of this memorandum for your files and if you have any questions regarding the retention of records collected for litigation or investigation or the retention of records subject to disposal suspension please contact your Records Coordinator or me (New York x4019) in the Legal Department.

WFL/wfl

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PHILIP MORRIS MANAGEMENT CORP. INTER-OFFICE CORRESPONDENCE
120 PARK AVENUE, NEW YORK, N.Y. 10017-5592

TO: Records Coordinators
Philip Morris Companies Inc.
Philip Morris Incorporated
Philip Morris International
Philip Morris Management Corp.

DATE: November 9, 1995

FROM: William F. Lynch, III

RE: Records Management Disposal Suspension of "P," "C," "C1," "C2" or "C3" Stamped
or Bates Number Stamped Records Collected for Purposes of Investigation or
Ongoing Litigation

As Records Coordinators, it is your responsibility to see that all records are managed pursuant to the Records Management Policy.

Pursuant to the applicable records management manual, records collected for purposes of investigation or ongoing litigation are subject to disposal suspension. Records collected for investigation or ongoing litigation are identifiable by the presence of a "P," "C," "C1," "C2," or "C3" stamp or bates number stamp on each page of the record. Such records are subject to disposal suspension and are to be retained indefinitely or until a disposal suspension release notice is issued by the Legal or Tax Departments.

Please retain a copy of this memorandum for your files and distribute copies to persons in the departments for which you have records management responsibility. If you have any questions related to this notice, please contact me in the Legal Department of the New York Office at 212/880-4019.

WL/csk

cc T. Beane
M. Bodine
J. Chaump
D. Crawford
P. Dodd
D. Keane
H. Long
M. Moore
J. Mulderig
A. Padoan
L. Pollak
S. Reich
C. Wall
R. Whidden

2074706316

RECORDS DISPOSAL SUSPENSION NOTICE

TAB 1

2074706317

PHILIP MORRIS MANAGEMENT CORP. INTER-OFFICE CORRESPONDENCE
120 PARK AVENUE, NEW YORK, NY 10017-5592

TO: Distribution

DATE: November 24, 1998

FROM: William F. Lynch III

RE: Records Disposal Suspension Notice

For legal reasons, the following records, documents, or other information ("Records") are hereby placed under disposal suspension:

Records that were generated or received, or reflect activities, from 1988 to the present that:

1. reflect or relate to:

- (a) Canadian-brand tobacco products (including but not limited to those produced by Rothmans, Benson & Hedges, Inc., Imperial Tobacco Ltd., or any entities related to any of them), or
- (b) Canadian taxation policies, rates and practices with respect to tobacco products, or
- (c) discussions, analyses, or references to markets or channels of distribution of cigarettes in North, South, or Central America that may allegedly involve "smuggling," "contraband," "black" or "gray" markets, "re-export" transactions, "parallel" markets, "special" markets or customers, "back door" transactions, "opportunistic" markets, avoidance or evasion of excise or other tobacco taxes or duties, and/or avoidance or evasion of cigarette import restrictions;

or

2. reflect or relate to:

- (a) Imperial Tobacco Ltd, and/or any principal, officer, employee, representative, or agent, including but not limited to Richard Ward and E. Morency, or

Code: 1998 - 010 - 007 - L

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- (b) Rothmans, Benson & Hedges, Inc. and/or any principal, officer, employee, representative, or agent, including but not limited to "Ron" Funk, Julie Wright, Robert Morin, Tammy Pearson, and K. Dean, or
- (c) Tobacco Exporters International Ltd. Of Tucker, Georgia and/or any principal, officer, employee, representative, or agent, including, but not limited to Alan Balch, George McGrath, Robert Pless, Peter Bodycomb and "Vicki" Herrin, a/k/a "Vicki" Plante, or
- (d) J. Stanley Company of Elizabeth, New Jersey and/or any principal, officer, employee, representative, or agent, including, but not limited to George Mannina, or
- (e) RAM Control, Inc. of Champlain, New York, d/b/a "Git 'n Go Duty Free" and/or any principal, officer, employee, representative, or agent, including, but not limited to Leslie Matthews, Rosalie A. Matthews, Margaret "Peggy" Lester, Chris Miller, Angela Robinson, and Kevin Fitts, or
- (f) J. R. Attea Wholesale of Grand Island, New York and/or any principal, officer, employee, representative, or agent, including but not limited to Elias "J.R." Attea, or
- (g) Springbok Trading Co., Ltd. of Bermuda and/or any principal, officer, employee, representative, or agent, or
- (h) Any person or entity involved in the purchase, resale, transportation, and/or warehousing of tobacco products on, through, or near the St. Regis Mohawk Indian Reservation in New York (also known as "Akwasasne"), including, but not limited to Fabian Hart and Gail Hart, d/b/a Hart's Enterprises; Loran Thompson, d/b/a "Ahnawate Marina"; Charles "Buck" White, d/b/a Buck's Warehouse; Larry "LT" Thompson and Dana Leigh Thompson (a/k/a Dana Leigh Bush), d/b/a D & L

Tobacco; Sheila Loran, d/b/a S & S Fabrics and S & S Smokeshop; David Mainville; Anthony Laughing, d/b/a Tony's Vegas International; Robert Browning; L. David Jacobs; Morris Oakes, d/b/a Mad Dog Wholesale; Roger Binette, d/b/a Oionkwaonwe Enterprises; Richard Rancanti; Rex Seitz; and Michael Mangan, or

- (i) John "Chick" Fountain of Hogansburg, New York, d/b/a Fountain Security Systems, Beaver Knitwear, and Northern Check Cashing and Currency Exchange, or
- (j) LBL Importing, Inc. and/or any principal, officer, employee, representative, or agent, including, but not limited to Larry Miller, Lewis Tavano, Robert Tavano, and John Bartolomei, or
- (k) Pine Partnership and/or any principal, officer, employee, representative, or agent, including, but not limited to Lewis Tavano, Robert Tavano, John Barolomei, Robert Tavano, Jr. and Kevin Michel, or
- (l) Charles DeKeado, d/b/a Nevada Pay Phone, or
- (m) Carmine DeCresente, or
- (n) Stephen J. Witkowski of Lewiston and Niagara Falls, New York, d/b/a Western New York Tobacco, or
- (o) A business entity known as VTN, Inc. and/or any principal, officer, employee, representative, or agent, including, but not limited to Victoria Glines, Timothy Glines, and Nick Miller, or
- (p) SV International Trading or MB International of Plattsburgh, New York and/or any principal, officer, employee, representative, or agent, or
- (q) JBML International and/or any principal, officer, employee, representative, or agent, including, but not limited to Jean Bill, or

- (r) A.H. Riise Ship Chandling of Blaine, Washington and/or any principal, officer, employee, representative, or agent, or
- (s) Halbar Corporation and/or any principal, officer, employee, representative, or agent, including, but not limited to Brian Hubar, or
- (t) Jacorp and/or any principal, officer, employee, representative, or agent, including, but not limited to Brian Hubar and Jacques Proulx, or
- (u) Excel International and/or any principal, officer, employee, representative, or agent, including, but not limited to John Garreau, or
- (v) Cardora, Inc. and/or any principal, officer, employee, representative, or agent, including, but not limited to "Cindy" Sherwin, or
- (w) Bensen International Tobacco of Atherton, California and/or any principal, officer, employee, representative, or agent, including, but not limited to Andrew Marvin, Harry Baker, and Dave Smoot, or
- (x) SMT, Inc. of Miami, Florida and North Bergen, New Jersey and/or any principal, officer, employee, representative, or agent, including, but not limited to Jorge Azel, or
- (y) Canadian Products Co., Inc. of Miami, Florida and/or any principal, officer, employee, representative, or agent, or
- (z) Continental Duty Free of Miami, Florida and/or any principal, officer, employee, representative, or agent, or

- (aa) Trans-Border Customs Services of Champlain, New York, and/or any principal, officer, employee, representative, or agent, including, but not limited to Arthur Speigel, Douglas White, George Legnard, and/or William LeClair, or
- (ab) Danasons Border Services, Inc. of Grand Island, New York and/or any principal, officer, employee, representative, or agent, including, but not limited to Daniel Shea, or
- (ac) Operators of the Foreign Trade Zone # 23 in Buffalo, New York, including Western New York Foreign Trade Zones Operators, Inc. and/or any principal, officer, employee, representative, or agent, including, but not limited to Timothy J. Palisano and Beverly Krause, or
- (ad) Operators of the Foreign Trade Zone # 34 in Niagara Falls, New York, including "North American Trading & Drayage" and/or any principal, officer, employee, representative, or agent, including, but not limited to Jody Morphy, or
- (ae) Operators of the Foreign Trade Zone # 90 in Liverpool, New York, including "GATX" and/or any principal, officer, employee, representative, or agent, or
- (af) International Cruise Duty Free, Inc. of Miami, Florida and/or any principal, officer, employee, representative, or agent, including, but not limited to Patrizio Clerici, or
- (ag) Importadora Centro Americana Corp. of Nassau, Bahamas and/or any principal, officer, employee, representative, or agent, or
- (ah) Doron Yakir and/or Baltic Imports, or
- (ai) Nicole Inc. of Jersey City, New Jersey and/or any principal, officer, employee, representative, or agent, or

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- (aj) A. Monteverdi, Inc. of Orange, NJ and/or any principal, officer, employee, representative, or agent, or
- (ak) Henderson International Ltd. Of Dublin, Ireland and/or any principal, officer, employee, representative, or agent, or
- (al) United States Tobacco Sales and Marketing Company, Inc. of Greenwich, Connecticut and/or any principal, officer, employee, representative, or agent, or
- (am) Standard Commercial Tobacco of Wilson, North Carolina and/or any principal, officer, employee, representative, or agent, or
- (an) Angelo Emmi, d/b/a A & M Import Export;

or

3. relate to the following individuals (including, but not limited to, personnel files, travel expense reports, telephone message slips, calendars, diaries, schedules, correspondence, or memoranda):

- (a) David Dangoor
- (b) Hal Quick
- (c) Ronald (Skip) Bornhuetter
- (d) Michael Rimakis
- (e) Michael Huftalen
- (f) Sam Polk
- (g) Timothy Beane
- (h) George (Gus) Sledge

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Records Disposal Suspension Notice
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Page Seven

- (i) Mary Zeiser
- (j) William Pearce
- (k) David Breedlove
- (l) J. Donald Schafer
- (m) Norman Mancini
- (n) Bucky Banton
- (o) Matt Herring
- (p) Ron Dean
- (q) Kathy Creegan
- (r) Vernon Cheek
- (s) Jean Smith
- (t) Sandra Brown
- (u) Gail Kerstetter
- (v) Paige Rider
- (w) Joy Hayes.

The notice applies to all forms of Records, including paper Records, computer-based electronic Records (including computer disks and tapes), microfilm, video and audio recordings, and every other memorialization of information and other material related to the specified subjects.

If the specified Records exist in paper form, you must keep them, without alteration, organized in the way that you would normally keep them for business purposes (for example, if you usually file them in folders, continue to do so). If they are no longer needed for normal business purposes, however, they may be

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boxed and placed in storage (properly identified and labeled as disposal-suspended material). If electronic Records can be printed (e-mail, for example), you should print them and retain them only in printed form. Electronic Records that cannot be printed must be kept in electronic form.

Please ensure that all personnel in your department or organization who may have access to or know of such Records are also made aware of the specified subjects of the notice and the obligation to preserve potentially responsive material.

Be advised that failure to comply with this notice could subject the individual or the Company to civil and/or criminal penalties.

Thank you for your cooperation. If you have any questions regarding this notice, please call me in New York (ext. 4019).

WFL/js

Distribution:

Philip Morris Companies Inc. - New York
Corporate Affairs
- Steven C. Parrish
Philip Morris Incorporated (PM USA) - New York
Corporate Affairs
- Ellen Merlo
Credit
- Bruce Russell
Customer Service and Distribution
- Brian Schuyler
Finance
- Harry G. Steele
Human Resources
- Kenneth F. Murphy
- John P. Gavin
Philip Morris Incorporated (PM USA) - Richmond
Finance - Accounts Receivable
- Jeffery Meeker
- Linda Warren

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Records Disposal Suspension Notice
November 24, 1998
Page Nine

Genesis

- T. David Breedlove

Human Resources

- James O. Glass

Records Management

- Lewis Cummings

Records Management - Finance

- Joyce Worsham

Philip Morris International Inc. - Rye Brook
Executive

- Andreas Gembler
- David E. R. Dangoor

Finance

- Kevin R. Kelsey

Headquarters Accounting

- Ann Sexton

Human Resources

- Timothy C. Sullivan

ICS

- David M. Gibb

International Logistics & Export Administration

- Alain D. Golay

Operations

- Lauro Peuckert

Planning

- Ronald Bornhuetter
- Garry Carmichael

Public Affairs

- Wendy G. Burrell

Philip Morris Duty Free Inc. - Rye Brook
Duty Free Sales USA

- Louis Suwana
- Michael Rimakis
- Sam Polk

Philip Morris Management Corp. - New York
Audit

- Gordon Fruetel

External Relations

- Victor C. Han

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Records Disposal Suspension Notice
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Issues Management

- Ellis A. Woodward

Legal

- Martin J. Barrington
- Kenneth V. Handal

Records Management

- Russell Bertelsen

Strategy and Development

- David I. Greenberg

Philip Morris Management Corp. - Rye Brook

Legal

- Owen C. Smith

Philip Morris Management Corp. - Stamford, CT

Audit

- Kevin Click
- James Friel

Philip Morris Management Corp. - Washington, D.C.

Government Affairs

- Howard S. Liebengood

Code: 1998 - 010 - 007 - L

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Records Disposal Suspension Notice
November 24, 1998
Page Eleven

cc:

G. Carlton Adkins - Rye Brook
William A. Brandt - New York
Margot Bodine Congdon - Rye Brook
Carla Gregory - Richmond
Beverly Honaker - Richmond
Kathi Hunter - Richmond
Timothy Lindon - New York
Douglas Miller - Richmond
John J. Mulderig - New York
Clare Purcell - Richmond
Amy Rothstein - Washington, DC
James E. Schardt - Richmond
Charles R. Wall - New York

Code: 1998 - 010 - 007 - L

2074706328

For Information Only
Records Disposal Suspension Notice
November 24, 1998
Page Twelve

bcc:

William Allinder - Shook, Hardy & Bacon
Kitty Behan - Arnold & Porter
Irv Nathan - Arnold & Porter
James Sandman - Arnold & Porter

Code: 1998 - 010 - 007 - L

2074706329

RECORDS DISPOSAL SUSPENSION NOTICE

TAB 2

2074706330

PHILIP MORRIS MANAGEMENT CORP. INTER-OFFICE CORRESPONDENCE
120 PARK AVENUE, NEW YORK, NY 10017-5592

TO: Distribution

DATE: November 4, 1998

FROM: William F. Lynch III

RE: Records Disposal Suspension Notice

In connection with certain ongoing legal activity, the records listed in Attachment A to this notice (the "records") are hereby placed under disposal suspension.

The notice applies to all forms of records, including paper records, computer-based electronic records (including computer disks and tapes), microfilm, video and audio recordings, and every other memorialization of information and other material related to the specified subjects. If any such records are unaltered duplicates, please refer to the policy memorandum dated April 1, 1998 for applicable requirements.

If the specified records exist in paper form, you must keep them, without alteration, organized in the way that you would normally keep them for business purposes (for example, if you usually file them in folders, continue to do so). If they are no longer needed for normal business purposes, however, they may be boxed and placed in storage (properly identified and labeled as disposal-suspended material). Electronic records that are the subjects of previously issued disposal suspension notices dated April 6, 1994, April 21, 1994, May 4, 1994 and July 28, 1994 and those that are incapable of being printed must be preserved in electronic form. All other electronic records (including e-mail) should be printed and retained only in paper form.

Be advised that failure to comply with this notice could subject the individual or the Company to civil and/or criminal penalties.

Thank you for your cooperation. If you have any questions regarding this notice, please call me in New York (ext. 4019).

WFL/js

Code: 1998 - 009 - 007 - L

2074706331

Records Disposal Suspension Notice
November 4, 1998
Page Two

Distribution:

Russell Bertelsen - New York
Lewis Cummings - Richmond
John P. Gavin - New York
James O. Glass - Richmond
Kenneth F. Murphy - New York

Code: 1998 - 009 - 007 - L

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Records Disposal Suspension Notice
November 4, 1998
Page Three

cc:

Martin J. Barrington, Esq. - New York
William A. Brandt Jr., Esq. - New York
Carla Gregory - Richmond
Kenneth V. Handal, Esq. - New York
John E. Holleran, Esq. - Richmond
Beverly Honaker - Richmond
Kathi Hunter - Richmond
Douglas Miller - Richmond
John J. Mulderig, Esq. - New York
Clare Purcell - Richmond
Charles R. Wall, Esq. - New York
Joyce Worsham - Richmond

Code: 1998 - 009 - 007 - L

2074706333

For Information Only
Records Disposal Suspension Notice
November 4, 1998
Page Four

bcc:

William Allinder, Esq. - Shook, Hardy & Bacon
Jerome Chapman, Esq. - Arnold & Porter
March Coleman, Esq. - Arnold & Porter
Jean Mahon - New York
James Sandman, Esq. - Arnold & Porter
Joseph A. Tate, Esq. - Dechert, Price & Rhoads

Code: 1998 - 009 - 007 - L

2074706334

Attachment A

Definitions

For purposes of this notice, the term "Philip Morris" shall be defined as Philip Morris Incorporated.

Time Frame

All documents (the "records") prepared, sent, dated, received or in effect at any time since January 1, 1986.

Records

For each individual listed below, records sufficient to show that individual's

- (a) full name;
- (b) social security number;
- (c) date and place of birth;
- (d) current or last known home address and telephone number (including, telefax, cellular, and pager);
- (e) current or last known work address and telephone number (including, telefax, cellular, and paper);
- (f) positions held with the company and for each position:
 - (1) period of service;
 - (2) the duties and responsibilities held;
 - (3) reason for leaving; and
- (g) involvement in the Company's purchase, sale or bids for tobacco leaf, including but not limited to relevant job descriptions and performance appraisals.

List of Individuals

- Chuck F. Baird
- Betty J. Barcomb
- Sharon Barker

Code: 1998 - 009 - 007 - L

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List of Individuals

- James E. Buchan
- O. Miller Buchanan Jr.
- E. A. (Ned) Day
- Joseph M. Dilday
- Roger J. Eggleston
- Clayton G. Frazier
- Marvin L. Gordon
- Merion E. Haskins
- Robert W. Hodge
- Sharon B. Hughes
- A. Wade Jordan
- Jan A. Kean
- Pattie S. Lape
- Carie Lopez
- Kenneth B. Lyell
- Sandy J. Moore Jr.
- William K. Riggan
- Rhoda R. Quinn
- Paul A. Sabbatini
- Bradsher T. Scott
- Nadine Sutherland
- Zach Toms 3rd
- Woodrow W. Vaughan Jr.
- T. Jeff Vice
- Deborah A. Whitener
- Sito Willoughby
- James R. Whitfield Jr.

RECORDS DISPOSAL SUSPENSION NOTICE

TAB 3

2074706337

PHILIP MORRIS MANAGEMENT CORP. INTER-OFFICE CORRESPONDENCE
120 PARK AVENUE, NEW YORK, NY 10017-5592

TO: Distribution

DATE: November 4, 1998

FROM: William F. Lynch III

RE: Records Disposal Suspension Notice

In connection with certain ongoing legal activity, the records listed in Attachment A to this notice (the "records") (some of which already may be under disposal suspension in connection with previous requests) are hereby placed under disposal suspension.

The notice applies to all forms of records, including paper records, computer-based electronic records (including computer disks and tapes), microfilm, video and audio recordings, and every other memorialization of information and other material related to the specified subjects. If any such records are unaltered duplicates, please refer to the policy memorandum dated April 1, 1998 for applicable requirements.

If the specified records exist in paper form, you must keep them, without alteration, organized in the way that you would normally keep them for business purposes (for example, if you usually file them in folders, continue to do so). If they are no longer needed for normal business purposes, however, they may be boxed and placed in storage (properly identified and labeled as disposal-suspended material). Electronic records that are the subjects of previously issued disposal suspension notices dated April 6, 1994, April 21, 1994, May 4, 1994 and July 28, 1994 and those that are incapable of being printed must be preserved in electronic form. All other electronic records (including e-mail) should be printed and retained only in paper form.

Records already subject to disposal suspension are listed in the applicable Records Management Manual and in prior records disposal suspension notices, which remain in effect with change.

Be advised that failure to comply with this notice could subject the individual or the Company to civil and/or criminal penalties.

Thank you for your cooperation. If you have any questions regarding this notice, please call me in New York (ext. 4019).

WFL/js

Code: 1998 - 008 - 007 - L

2074706338

Records Disposal Suspension Notice
November 4, 1998
Page Two

Distribution:

Jeffery Meeker - Richmond
Harry G. Steele - New York
Linda Warren - Richmond
Joyce Worsham - Richmond

Code: 1998 - 008 - 007 - L

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Records Disposal Suspension Notice
November 4, 1998
Page Three

cc:

Martin J. Barrington, Esq. - New York
Russell Bertelsen - New York
William A. Brandt Jr., Esq. - New York
Lewis Cummings - Richmond
Carla Gregory - Richmond
Kenneth V. Handal, Esq. - New York
John E. Holleran, Esq. - Richmond
Beverly Honaker - Richmond
Kathi Hunter - Richmond
Douglas Miller - Richmond
John J. Mulderig, Esq. - New York
Clare Purcell - Richmond
Charles R. Wall, Esq. - New York

Code: 1998 - 008 - 007 - L

2074706340

For Information Only
Records Disposal Suspension Notice
November 4, 1998
Page Four

bcc:

William Allinder, Esq. - Shook, Hardy & Bacon
Jerome Chapman, Esq. - Arnold & Porter
March Coleman, Esq. - Arnold & Porter
Jean Mahon - New York
James Sandman, Esq. - Arnold & Porter
Joseph A. Tate, Esq. - Dechert, Price & Rhoads

Code: 1998 - 008 - 007 - L

2074706341

Attachment A

Definitions

For purposes of this notice, the term "Philip Morris" shall be defined as Philip Morris Incorporated.

Time Frame

All documents (the "records") prepared, sent, dated, received or in effect at any time since January 1, 1986.

Records

For each individual listed below, all (a) telephone toll records and bills; and (b) travel, hotel/motel and expense records and back-up.

List of Individuals

- Chuck F. Baird
- Betty J. Barcomb
- Sharon Barker
- James E. Buchan
- O. Miller Buchanan Jr.
- E. A. (Ned) Day
- Joseph M. Dilday
- Roger J. Eggleston
- Clayton G. Frazier
- Marvin L. Gordon
- Merion E. Haskins
- Robert W. Hodge
- Sharon B. Hughes
- A. Wade Jordan
- Jan A. Kean
- Pattie S. Lape
- Carie Lopez
- Kenneth B. Lyell
- Sandy J. Moore Jr.

Code: 1998 - 008 - 007 - L

2074706342

List of Individuals

- William K. Riggan
- Rhoda R. Quinn
- Paul A. Sabbatini
- Bradsher T. Scott
- Nadine Sutherland
- Zach Toms 3rd
- Woodrow W. Vaughan Jr.
- T. Jeff Vice
- Deborah A. Whitener
- Sito Willoughby
- James R. Whitfield Jr.

Code: 1998 - 008 - 007 - L

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RECORDS DISPOSAL SUSPENSION NOTICE

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2074706344

PHILIP MORRIS MANAGEMENT CORP. INTER-OFFICE CORRESPONDENCE
120 PARK AVENUE, NEW YORK, NY 10017-5592

TO: Distribution

DATE: November 4, 1998

FROM: William F. Lynch III

RE: Records Disposal Suspension Notice

In connection with certain ongoing legal activity, the records listed in Attachment A to this notice (the "records") (some of which already may be under disposal suspension in connection with previous requests) are hereby placed under disposal suspension.

The notice applies to all forms of records, including paper records, computer-based electronic records (including computer disks and tapes), microfilm, video and audio recordings, and every other memorialization of information and other material related to the specified subjects. If any such records are unaltered duplicates, please refer to the policy memorandum dated April 1, 1998 for applicable requirements.

If the specified records exist in paper form, you must keep them, without alteration, organized in the way that you would normally keep them for business purposes (for example, if you usually file them in folders, continue to do so). If they are no longer needed for normal business purposes, however, they may be boxed and placed in storage (properly identified and labeled as disposal-suspended material). Electronic records that are the subjects of previously issued disposal suspension notices dated April 6, 1994, April 21, 1994, May 4, 1994 and July 28, 1994 and those that are incapable of being printed must be preserved in electronic form. All other electronic records (including e-mail) should be printed and retained only in paper form.

Records already subject to disposal suspension are listed in the applicable Records Management Manual and in prior records disposal suspension notices, which remain in effect with change.

Be advised that failure to comply with this notice could subject the individual or the Company to civil and/or criminal penalties.

Thank you for your cooperation. If you have any questions regarding this notice, please call me in New York (ext. 4019).

WFL/js

Code: 1998 - 007 - 007 - L

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Records Disposal Suspension Notice
November 4, 1998
Page Two

Distribution:

Chuck F. Baird - Richmond
Betty J. Barcomb - Richmond
Sharon Barker - Richmond
James E. Buchan - Richmond
O. Miller Buchanan Jr. - Richmond
Lewis Cummings - Richmond
E. A. (Ned) Day - Richmond
Roger J. Eggleston - Richmond
Marvin L. Gordon - Richmond
Merion E. Haskins - Richmond
Sharon B. Hughes - Richmond
A. Wade Jordan - Richmond
Jan A. Kean - Richmond
Pattie S. Lape - Richmond
Carie Lopez - Cabarrus
David L. Milby - Richmond
William K. Riggan - Richmond
Rhoda R. Quinn - Park 500
Paul A. Sabbatini - Richmond
Bradsher T. Scott - Richmond
Nadine Sutherland - Louisville
Zach Toms 3rd - Richmond
T. Jeff. Vice - Richmond
Deborah A. Whitener - Richmond
Sito Willoughby - Richmond

Code: 1998 - 007 - 007 - L

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Records Disposal Suspension Notice
November 4, 1998
Page Three

cc:

Martin J. Barrington, Esq. - New York
Russell Bertelsen - New York
William A. Brandt Jr., Esq. - New York
Carla Gregory - Richmond
Kenneth V. Handal, Esq. - New York
John E. Holleran, Esq. - Richmond
Beverly Honaker - Richmond
Kathi Hunter - Richmond
Douglas Miller - Richmond
John J. Mulderig, Esq. - New York
Clare Purcell - Richmond
Charles R. Wall, Esq. - New York
Joyce Worsham - Richmond

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2074706347

For Information Only
Records Disposal Suspension Notice
November 4, 1998
Page Four

bcc:

William Allinder, Esq. - Shook, Hardy & Bacon
Jerome Chapman, Esq. - Arnold & Porter
March Coleman, Esq. - Arnold & Porter
Jean Mahon - New York
James Sandman, Esq. - Arnold & Porter
Joseph A. Tate, Esq. - Dechert, Price & Rhoads

Code: 1998 - 007 - 007 - L

2074706348

Attachment A

Definitions

For purposes of this notice, the term "Philip Morris" shall be defined as Philip Morris Incorporated.

Time Frame

All documents (the "records") prepared, sent, dated, received or in effect at any time since January 1, 1986.

Records

1. All records relating to the purchase of domestic tobacco leaf, at auction or otherwise, including but not limited to (1) purchase plans, business plans, forecasts, schedules, tabulations, summary reports, periodic reports; (2) invoices, purchase orders, bills of sale; (3) records reflecting or referring to tobacco leaf bids or pricing; (4) records that reflect or refer to any payment of money or any other thing of value given or made to any employee in a tobacco leaf processing or manufacturing company, or any warehouseman, auctioneer, farmer, or state or federal government employee in connection with any contract, order, purchase, sale, pricing or grading for any tobacco leaf; (5) minutes of meetings of tobacco leaf trade associations and tobacco boards or councils; or (6) meetings, discussions, communications, understandings or agreements between or among two or more tobacco companies or two or more tobacco leaf purchasers for tobacco companies concerning the potential or actual purchase or sale of domestic tobacco leaf.
2. For each year in which Philip Morris purchased domestic tobacco leaf at auction or other than auction (e.g. by contract or negotiation), all records reflecting the following:
 - (1) the name and current or last known address and telephone number of each auction attended by each employee or agent of Philip Morris who attended any such auction;

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2074706349

- (2) the name and current or last known address and telephone number of each employee or agent of Philip Morris who attended each of these auctions;
 - (3) the name and current or last known address of each company or individual from which an employee or agent of Philip Morris bought domestic tobacco leaf other than at auction; and
 - (4) the name and current or last known address of each employee or agent of Philip Morris who made such purchases of domestic tobacco leaf other than at auction.
3. For each individual listed below, all appointment books, calendars, reminders, notepads, diaries, daybooks, "Rolodex" directories, telephone message slips and books, memoranda or pads, tape recordings of conversations and call logs and any other telephone directories (other than official telephone company directories).

List of Individuals

- Chuck F. Baird
- Betty J. Barcomb
- Sharon Barker
- James E. Buchan
- O. Miller Buchanan Jr.
- E. A. (Ned) Day
- Joseph M. Dilday
- Roger J. Eggleston
- Clayton G. Frazier
- Marvin L. Gordon
- Merion E. Haskins
- Robert W. Hodge
- Sharon B. Hughes
- A. Wade Jordan
- Jan A. Kean
- Pattie S. Lape
- Carie Lopez

Code: 1998 - 007 - 007 - L

2074706350

List of Individuals

- Kenneth B. Lyell
- Sandy J. Moore Jr.
- William K. Riggan
- Rhoda R. Quinn
- Paul A. Sabbatini
- Bradsher T. Scott
- Nadine Sutherland
- Zach Toms 3rd
- Woodrow W. Vaughan Jr.
- T. Jeff Vice
- Deborah A. Whitener
- Sito Willoughby
- James R. Whitfield Jr.

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2074706351

Wallmeyer 33

EXHIBIT

12/20/02 GSN

From: Smith, Art L.
Sent: Thursday, November 15, 2001 11:46 AM
To: Lezny, Chris; Enterprise Messaging Team
Cc: Miller, Doug; Lee, Murray D.
Subject: FW: Periodic System Deletion of E-Mails
Importance: High

Chris/EMT,

The PMUSA Records Management department (Doug Miller) is requesting that the MONTHLY MAIL PURGE reminder, sent to all PMUSA Exchange users, be modified to reflect information about our Records Retention Policies. I am including the current message that is being sent, as well as the new message. Please respond and let me know if you prefer a work request or if this email will suffice. We request that this be implemented with our next scheduled purge (December 15, 2001).

Thanks, Art

Current Message

New Message

Reminder: Monthly Mailbox purg... Reminder: Monthly Mailbox purg...

Art L. Smith

☎ 804-274-5863

PM USA Information Technology & Planning
Enterprise Solutions Center

2067540183

ATTENTION ALL EXCHANGE USERS

On Saturday, November 17, 2001 the Exchange server mailboxes will be purged. The purge criterion is to eliminate all mail messages older than 60 days in the In-Box, Sent Items, and Deleted Items folders and their sub-folders. The Exchange server mailboxes will be purged on the third Saturday of every month. Other folders you created using your Outlook client will not be purged.

ATTENTION ALL EXCHANGE USERS

On Saturday, [date], messages older than 60 days will be deleted from your Outlook *In Box*, *Sent Items* and *Deleted Items* folders as a part of routine system maintenance. (Other Outlook folders will not be affected.)

IMPORTANT REMINDER : The company's Records and Information Management Program requires you to print and retain (in printed form only) certain messages concerning specified topics under disposal suspension. Using the link provided below, please review and comply with all disposal suspension requirements prior to the scheduled system deletion.

If you have any questions regarding your disposal suspension obligations, please consult your Records Coordinator or the Records Management Department. Thank you.

<http://home.pmu.com/RecordsManagement/Content/Manual%201%20-%20Guide%20To%20Effective%20Info%20Management.doc>

[REDACTED]

June 24, 1997

The Honorable Kenneth J. Fitzpatrick
Ramsey County Courthouse 1350
West Kellogg Blvd.
St. Paul, MN 55102

Dear Judge Fitzpatrick

I worked at Philip Morris [REDACTED] at Richmond, VA from [REDACTED] to [REDACTED]. Most recently I was a [REDACTED]. I left voluntarily [REDACTED] for other employment [REDACTED]. Before leaving Philip Morris, I had been cooperating with the Justice Department in their ongoing investigation.

As per my conversation with [REDACTED], the following are some of the events, related to documents that occurred during my employment at PM.

1. In the spring of 96, in May I believe, Dr. Jerry Whidby, Dr. Cliff Lilly, and Mr. Jim Schardt met with R&D employees [REDACTED] to discuss the handling of "Ultra Trade Secret" documents. During this meeting, they gave a presentation on the correct disposition of these documents. For example, they were to be retained within R&D in a special vault that was to be constructed. Documents in employee's possession, that met the "Ultra Trade Secret" criteria, were supposed to be reviewed by these gentlemen.

However, hitherto very few employees had turned over documents. Based on a show of hands in the lecture hall I would estimate this number was less than 5%.

During the month after the meeting I called the legal staff in R&D to inquire when I would turn over documents I had in my possession. I believe I talked with Ms. Chris Hardin. In late May or early June, Ms. Jackie Segel, accompanied by another gentleman, met with me [REDACTED]. Ms. Segel said they were with Shook, Hardy, and Bacon and represented Philip Morris. Before the meeting, I had collected a small stack of documents to give to the attorneys. The meeting lasted less than 30 minutes. Ms. Segel asked me about my present job duties. At that time, I was working on the

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[REDACTED] That project is probably unimportant in regard to the ongoing litigation. According to Ms Segel they did not need my documents since I was not working on projects described therein at that time. During the meeting I offered the documents to Ms. Segel. She responded that they probably had most of them from R&D Central Files. She never looked at any of my documents during the meeting. She and the other gentlemen left my office without taking with them any information I had collected.

During the meeting, I asked if they were collecting documents related to nicotine research from sources, such as universities or other Philip Morris Companies. R&D had worked with numerous organizations on nicotine delivery issues. Ms. Segel responded that they were not collecting these.

I discussed the meeting with Mr. Jose Nepomuceno, [REDACTED]. According to him, Shook & Hardy representatives also told him that they did not need his documents due to the same reasoning described above. Mr. Nepomuceno had worked on many projects including nicotine and ignition propensity related issues during his career at PM.

As a side note, the R&D Central File repository only received some of the internal R&D documents. Sensitive documents, such as those labeled "Restricted", were not sent there. In addition, many of my colleagues would normally not "copy" them on their correspondence.

Before leaving Philip Morris, I sent some of these documents to [REDACTED] as per the attached letter dated July 24, 1996. After this Ms. Cynthia Hughes visited me on August 2, 1996 accompanied by a paralegal. Ms. Hughes is also affiliated with Shook, Hardy, and Bacon. She told me that new court orders required that they retrieve my documents. In effect, I told her I did not believe this. Finally, she conceded that Ms. Segel was mistaken in not getting my documents.

Before this final meeting with PM attorneys, Mr. Harold Burnley, VP of Process Development, informed [REDACTED], Mr. Mike Maher, that I was not cooperating with the attorneys. I confronted Mr. Burnley with this and told him, in fact, they were the ones that did not want my documents. I thought this was very strange.

Before leaving my office I remarked to Ms. Hughes, that she knew documents had been destroyed. She said "don't tell me about" destruction of documents. After the meeting, I told [REDACTED] Mr. E. B. Fischer, about the remark. I was specifically referring to the apparent destruction of computer tapes as described below.

I believe I have now turned over all documents related to civil or possible criminal investigation to the Justice Department.

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I did not give most of the information described above to the Justice Department. The agents were concerned that such information may fall under attorney-client privilege.

2. During December, 1995 or January 1996 I inadvertently deleted some of my computer files on located on the main frame computer [REDACTED]. Normally, we had been able to retrieve backup files going back several years. A few weeks later I called Mr. Jack Stimler (spelling?) in the computer department about getting a backup. He told me that now we could only get backup data for the past month or two. I inquired why. He said computer tapes were being recycled in order to save money. I recall him chuckling about this.

I subsequently discussed this with a close friend of Mr. Stimler's, Mr. Tom Van Auken, [REDACTED]. He told me Jack was just doing what he was told to do.

I never recovered the files that I deleted. They were old RS1 files of probably little importance. However, I wonder about the many sensitive files on subjects such as on TSNA's that was on the computer system.

The manager in charge of the computer department was Mr. Ray Adkins.

3. [REDACTED] I worked on a [REDACTED] issue [REDACTED]. During this work, I became professionally aquatinted with Mr. Steve Roberts who is now Vice President in PM International. I recall several conversations, some in open meetings, where Mr. Roberts would say that it was hard for him to do business because the "lawyers" had purged his files of most of his old information. For example, I had asked him about some process data possibly 10 to 15 years old on the DIET tobacco puffing process. He said that he did not have this information because most of his files had been taken. I don't recall if he ever said if his files were destroyed. However, that was and still is my impression.

If I may be of further assistance please contact me.

Sincerely,

[REDACTED]

[REDACTED]

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